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\$5 Million Awarded for Alternative Energy

Denali Commission and Alaska Energy Authority Announce Project Funding

June 24, 2008, Anchorage – The Denali Commission and Alaska Energy Authority (AEA) announce the award of \$5 million for alternative/renewable energy projects. The agencies will offer funding for 33 projects in the areas of wind, hydro, biomass, solar and geothermal power including a Fort Yukon community wood heating project by Gwitchyaa Zhee Corporation and a Manley Hot Springs geothermal plant by TDX Power. Funding for the projects includes \$4 million from the Denali Commission and \$1 million from AEA for alternative energy solutions. In addition, five projects will be offered funding under the Commission's energy cost reduction program.

"Rising energy costs have created urgency for these projects," stated Steven Haagenson, AEA Executive Director and State Energy Coordinator. "This funding will help develop projects that could annually displace millions of gallons of diesel fuel and trillions of cubic feet of natural gas. The need is great and we are pleased to offer these funds with the Denali Commission."

"Our Commissioners are pleased with the outcomes of this solicitation and we look forward to more dollars focused on this area, especially with the rising cost of fuel in today's market," stated George Cannelos, Federal Co-Chair at the Denali Commission. "Despite being an oil producing state, Alaska, as we all know, has some of the highest per capita electric power and fuel costs in the U.S., particularly in our rural, isolated villages."

The Denali Commission and AEA issued requests for proposals that garnered alternative/renewable and energy cost reduction projects. This solicitation brought in 96 proposals from around Alaska for funding projects totaling over \$130 million.

“The Denali Commission’s goal through this process is to play an active role with our partners to find cost-effective energy solutions for the people of rural Alaska,” stated Cannelos. “Another important component of this process includes the development of an inventory of projects that focus on alternative solutions. Commissioners are designating funds solely for the purpose of providing alternative energy solutions that will alleviate our reliance on diesel fuel.”

The complete project list with funding amounts is attached to this Press Release.

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Alaska Alternative Energy Projects Request for Proposals Final Ranking June 2008



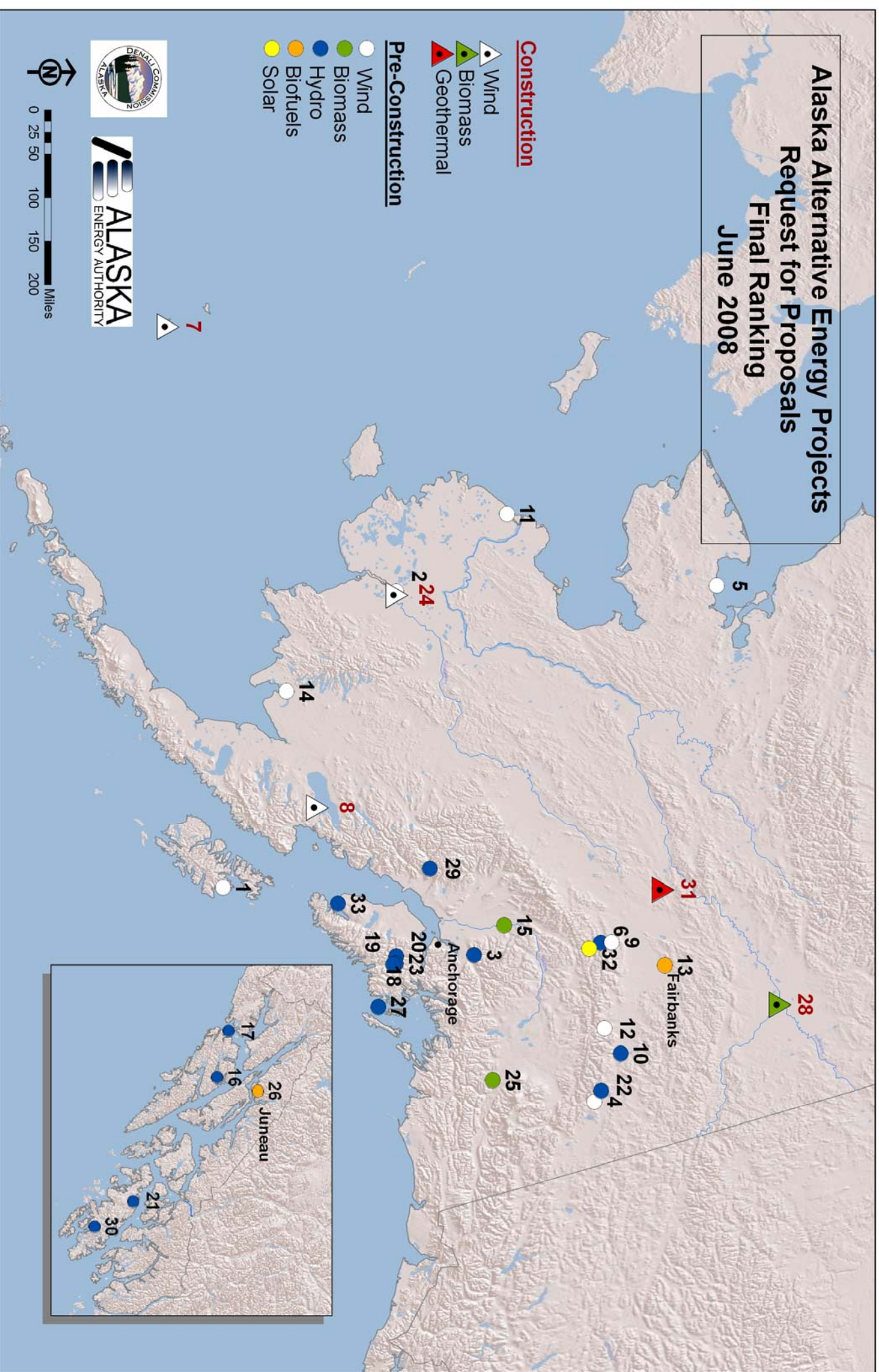
ID	Proposer	Project	Area	Type	Energy Source	Benefit / Cost Estimate	Estimated Total Project Cost	Funding Requested	Max Funding Level	Denali Comm Funding	AEA Funding
1	Kodiak Electric Association	Pillar Mt Wind phase II assessment	Railbelt/4DP-SE	Pre-constr	Wind	4.41	24,000,000	150,000	100,000	-	100,000
2	Village Wind Power, LLC	Bethel wind farm assessment	Rural	Pre-constr	Wind	3.91	8,000,000	190,000	100,000	100,000	-
3	Fishhook Renewable Energy	Fishhook hydro at Hatcher Pass (pre-constr)	Railbelt/4DP-SE	Pre-constr	Hydro	3.76	3,804,781	215,000	100,000	-	100,000
4	Village Wind Power, LLC	Tok wind farm (pre) assessment	Rural	Pre-constr	Wind	3.25	8,000,000	285,000	100,000	100,000	-
5	Ipnatchiaq Electric Company	Deering wind system assessment	Rural	Pre-constr	Wind	3.23	400,000	99,625	79,700	79,700	-
6	Golden Valley Electric Assoc	Nenana run-of-river hydro assessment Healy	Railbelt/4DP-SE	Pre-constr	Hydro	3.10	35,000,000	75,000	60,000	-	60,000
7	Aleutian Prib I Comm Dev Assoc	Saint George high penetration wind diesel	Rural	Constr	Wind	3.02	900,000	2,294,875	1,000,000	1,000,000	-
8	Kokhanok Village Council	Kokhanok wind diesel	Rural	Constr	Wind	2.71	921,000	148,000	74,000	74,000	-
9	Golden Valley Electric Assoc	Eva Creek wind interconnection criteria	Railbelt/4DP-SE	Pre-constr	Wind	2.57	173,250,000	35,000	28,000	-	28,000
10	Golden Valley Electric Assoc	Little Gerstle hydro assessment	Railbelt/4DP-SE	Pre-constr	Hydro	2.53	130,000,000	75,000	60,000	-	60,000
11	City of Nunam Iqua	Nunam Iqua wind power assessment	Rural	Pre-constr	Wind	2.40	800,000	42,900	34,320	34,320	-
12	Alaska Wind Power, LLC	Delta Wind Farm assessment	Railbelt/4DP-SE	Pre-constr	Wind	2.38	1,600,000	500,000	100,000	-	100,000
13	Fairbanks Biodiesel	Waste vegetable oil for energy assessment	Railbelt/4DP-SE	Pre-constr	Biofuels	2.33	2,546,632	6,630	5,304	-	5,304
14	Bristol Bay Area Health Corp	Dillingham Kananak wind power assessment	Rural	Pre-constr	Wind	2.22	4,800,000	300,000	100,000	100,000	-
15	Mat-Su Borough Talkeetna	Su-Valley School wood boiler assessment	Railbelt/4DP-SE	Pre-constr	Biomass	2.15	561,000	25,000	20,000	-	20,000
16	City of Tenakee Springs	Indian River Hydro assessment	Rural	Pre-constr	Hydro	2.15	1,700,000	200,000	100,000	100,000	-
17	Community of Elfin Cove	Elfin Cove hydro assessment	Rural	Pre-constr	Hydro	1.99	1,600,000	144,000	100,000	100,000	-
18	Homer Electric Association	Crescent Lk/Cr low impact hydro assessment	Railbelt/4DP-SE	Pre-constr	Hydro	1.97	19,000,000	500,000	100,000	-	50,000
19	Homer Electric Association	Falls Cr low impact hydro assessment	Railbelt/4DP-SE	Pre-constr	Hydro	1.97	19,000,000	500,000	100,000	-	50,000
20	Homer Electric Association	Grant Lk/Cr low impact hydro assessment	Railbelt/4DP-SE	Pre-constr	Hydro	1.97	19,000,000	500,000	100,000	-	50,000
21	City of Coffman Cove	Coffman Cove hydro assessment	Rural	Pre-constr	Hydro	1.96	1,900,000	100,000	80,000	80,000	-
22	Alaska Power Company	Yerrick Cr hydro assessment	Rural	Pre-constr	Hydro	1.94	7,519,369	672,450	100,000	100,000	-
23	Homer Electric Association	Ptarmigan Lk/Ck low impact hydro assessmt	Railbelt/4DP-SE	Pre-constr	Hydro	1.93	15,500,000	500,000	100,000	-	50,000
24	City of Bethel	Bethel wind turbine	Rural	Constr	Wind	1.90	799,554	799,554	399,777	399,777	-
25	Copper River School District	Kenney Lake School wood boiler assessment	Railbelt/4DP-SE	Pre-constr	Biomass	1.89	281,195	50,000	40,000	-	40,000
26	Taku Renewable Resources	Juneau biodiesel production assessment	Railbelt/4DP-SE	Pre-constr	Biofuels	1.81	274,150	123,653	98,922	-	98,922
27	Chenega Corporation	Chenega Bay hydro assessment	Rural	Pre-constr	Hydro	1.62	837,000	130,402	100,000	100,000	-
28	Gwitchyaa Zhee Corp	Fort Yukon community wood heating	Rural	Constr	Biomass	1.81	1,617,610	1,617,610	808,805	808,805	-
29	TDX Power	Chakachamna hydro assessment	Railbelt/4DP-SE	Pre-constr	Hydro	1.50	1,750,000,000	553,080	100,000	-	100,000
30	Haida Corporation	Reynolds Creek hydro pre-construction	Rural	Pre-constr	Hydro	1.12	11,000,000	175,000	100,000	100,000	-
31	TDX Power	Manley Hot Springs geothermal plant	Rural	Constr	Geothermal	1.11	880,000	1,880,000	940,000	725,000	-
32	Golden Valley Electric Assoc	Denali solar thermal assessment	Railbelt/4DP-SE	Pre-constr	Solar	1.10	553,000	80,000	64,000	-	64,000
33	City of Homer	Homer water main hydropower assessment	Railbelt/4DP-SE	Pre-constr	Hydro	1.00	364,000	39,000	31,200	-	31,200
Total							2,246,409,290	13,006,779	5,424,028	4,001,602	1,007,426

Alaska Alternative Energy Projects Request for Proposals Final Ranking June 2008

- Construction**
- ▲ Wind
 - ▲ Biomass
 - ▲ Geothermal
- Pre-Construction**
- Wind
 - Biomass
 - Hydro
 - Biofuels
 - Solar



0 25 50 100 150 200 Miles





Alaska Energy Cost Reduction Request for Proposals Final Ranking June 2008



Application	B/C Ratio	Project Cost	Half of Maximum Debt Load	Potential Grant	Note
APC - North POW Transmission	1.68	\$5,999,606	\$3,596,768	\$2,402,838	
AVEC - Hooper Bay Controls	2.31	\$742,259	\$722,786	\$19,473	
Aleutians East Borough - Sand Point					
Group A - boiler controller	0				1
Group B - repair DDC system	16.07	\$10,000		\$10,000	2
Group C - lighting measures	2.48	\$21,900		\$21,900	2
IRHA - Venetie Energy Conservation	1.86	\$64,012		\$64,012	2
TOTAL		\$6,837,777	\$4,319,554	\$2,518,223	

Note 1: Savings could not be determined with information provided

Note 2: RFP states the grant award for "waste" heat recovery and end use efficiency will be a minimum of 50% of the project costs (16. D)